PJM Interconnection
2750 Monroe Blvd
Audubon, PA 19403

May 7, 2026

2027 DEFAULT VOM ADDERS FOR MINOR MAINTENANCE AND OPERATING COSTS

Default values for minor maintenance and operating costs are listed, by technology type, in the table below.

These default adders are only to be used starting January 1, 2027 through December 31, 2027.

For immature units, please note that the Operating Cost Default values listed here replace the use of State of the Market values published by the IMM.

Default VOM Values for use starting January 1, 2027

VOM Technology Type	Minor Maintenance Default ($/MWh)	Operating Cost Default ($/MWh)
Combined Cycle	$ 1.27	$ 0.52
Simple Cycle Combustion Turbine	$ 4.64	$ 0.97
Reciprocating Engine	$ 5.21	$ 2.09
Fossil Steam	$ 2.21	$ 3.71

The above values were calculated by multiplying initial VOM default values, which were expressed in 2021 dollars and are shown in Appendix 1, by the most recently published Handy Whitman Escalation Factor for 2021. This action escalates the initial values into current-day dollars.

The current escalation factor for 2021 is **1.292**.

More information on the escalation factor can be found here:
https://www.pjm.com/-/media/DotCom/committees-groups/subcommittees/cds/postings/handy-whitman-index.pdf

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Appendix 1 – Initial VOM Default Development

VOM Defaults were calculated in early 2022. Data from the most recent VOM templates, submitted in 2021, was used. Expense and cost data was through the end of 2020. Handy Whitman escalation factors from 2021, published on PJM.com in March 2021, were applied to historic expenses and costs to escalate all values to 2021-equivalent dollars.

2021 Handy Whitman Escalation Factors used to escalate historical data

YEAR	INDEX	ESCALATION FACTOR
2002	438	1.825
2003	441	1.812
2004	465	1.719
2005	493	1.621
2006	515	1.552
2007	546	1.464
2008	596	1.341
2009	578	1.383
2010	604	1.323
2011	631	1.267
2012	645	1.239
2013	653	1.224
2014	672	1.189
2015	700	1.142
2016	714	1.119
2017	711	1.124
2018	745	1.073
2019	760	1.052
2020	779	1.026
2021	799 (est)	1.000

The initial analysis yielded the following results, reported in 2021 dollars. These values are in the Operating Agreement and filed with FERC. **These values will be escalated each year using the 2021 factor from the most recent Handy Whitman escalation factor table published on pjm.com.**

Initial VOM Defaults

VOM Technology Type	MM Default ($/MWh)	OC Default ($/MWh)
Combined Cycle	$ 0.98	$ 0.40
Simple Cycle Combustion Turbine	$ 3.59	$ 0.75
Reciprocating Engine	$ 4.03	$ 1.62
Fossil Steam	$ 1.71	$ 2.87